

DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

INDIANAPOLIS

OFFICE MEMORANDUM

Date: October 3, 2000

To: Interested parties

From: Janet McCabe
Assistant Commissioner, Office of Air Management

Subject: NOx SIP Call

The Office of Air Management (OAM) is proceeding with a rulemaking to respond to the NOx SIP Call. A First Notice of Comment Period was published in the Indiana Register on July 1, 2000. OAM expects to publish a Second Notice of Comment Period with draft rule language on December 1, 2000 and plans on finalizing the rule in the spring of 2001. OAM is proposing to schedule regular meetings with the NOx workgroup and focus meetings on specific topics (see attached proposal).

On Friday, October 13, OAM will hold a public meeting at the Indiana Historical Society (located on the corner of Ohio and West), 450 West Ohio Street, Multipurpose Room, 10:00 a.m. to 1:00 p.m. to discuss the rulemaking process. Parking is available at the Indiana Government Center parking facilities (Senate Avenue parking facility is directly across the canal) and the Indiana Historical Society's surface parking lot. Directions to the Indiana Historical Society may be accessed at www.indianahistory.org. A copy of draft rules, background information and the proposed meeting and rulemaking schedule will be available at www.state.in.us/ide/oam/standard/Sip/index.html. If you experience difficulties accessing this site, a link is provided on the Office of Air Management home page.

If you have any questions about the upcoming meeting or the draft rule, please feel free to contact me at 800/451-6027, ext. 2-8222 or Roger Letterman at 800/451-6027, ext. 2-8342.

***PROCESS AND SCHEDULE
FOR
NOX SIP CALL RULEMAKING***

Indiana is required by federal rule and, now, by federal court order, to promulgate a rule that will achieve substantial reductions in nitrogen oxides by establishing a maximum amount of emissions (or “budget”) statewide by 2007. Measures to achieve these reductions must be in place by May 31, 2004. States are required to submit a State Implementation Plan revision to EPA by October 28, 2000. Indiana, and most other states, will not meet that deadline. Indiana aims to complete a rulemaking and SIP revision by spring 2001. On this schedule, Indiana should be able to avoid the imposition of a federal control plan.

The main environmental goal of the rule is settled (the statewide NO_x budget). Also, an EPA administered cap and trade program for large utility and industrial boilers has been developed by USEPA and is available to help lessen overall compliance costs. The state’s rulemaking to respond to the federal requirements will focus on a number of issues over which the states have discretion, for example:

- How to apportion the NO_x budget among the affected sources.
- How much of the budget to set aside or assume for growth of existing facilities, for new facilities, or for energy efficient facilities.
- What provisions to include relative to early reductions or compliance extensions.

IDEM recognizes that this rule is of broad public interest and will provide information and ample opportunity for public discussion throughout the expeditious schedule for rulemaking.

To date, IDEM has worked with a large and broad-based NO_x Workgroup, which has been a useful forum for disseminating information about the rule, for answering questions, and hearing multiple views and concerns. IDEM intends to continue this group, but will supplement it in the following ways:

- Monthly meetings of the broad NO_x workgroup.
- Initial focused discussions on specific issues with a smaller group of interested parties who represent the main constituencies of environmental groups, electric utilities, and other industry. Depending on the outcome of these initial discussions, followup meetings may be scheduled on particular topics.
- A series of meetings in different geographic locations around the state prior to preliminary adoption and, if appropriate, final adoption of the rule.
- An enhanced page on the IDEM website that will include: 1) advance notice of meetings; 2) summaries of meetings; 3) copies of issue papers, draft rule language and other relevant documents; and 4) a mechanism for the public to communicate with IDEM staff on these issues.

- **Use of e-mail to the greatest possible extent, and other communication tools where e-mail is not available, to speed the sharing of documents and allow quick communication with IDEM staff.**

Following is the schedule of meetings and activities through preliminary adoption, anticipated for February 7, 2001. Additional focus meetings may be added after the October 19 session, if needed:

October 6	IDEM makes draft rule language available through e-mail, website
October 13 10-1	NOx Workgroup* meeting Multipurpose Room, Indiana Historical Society Building, corner of West and Ohio Streets.
October 18 1-4	Focus meeting: Cement Industry issues
October 19 10-4	Focus meeting: Trading program issues--allocation methodology and mechanics (AM) and early reductions and compliance extensions (PM)
October 28	Federal deadline for SIP Call rules; IDEM sends status report to USEPA
October 31 1:30-4	NOx Workgroup
November 9	Send Second Notice and Draft Rules to LSA; post to IDEM website and send to interested parties
December 7 1:30-4	NOx Workgroup
Weeks of December 4 and 11	Public meeting: northwest Indiana
	Public meeting: Evansville
	Public meeting: Ft. Wayne
	Public meeting: New Albany
January 2	Comment deadline for Second Notice
January 4 1:30 - 4	NOx Workgroup
February 7	Air Board hearing for preliminary adoption

***The NOx Workgroup includes and all interested parties and does not have specific membership. IDEM currently maintains an e-mail and mailing list of those who have attended previous public meetings or indicated that they wish to be kept informed of issues related to NOx and the NOx rulemakings. Anyone can be added to that list by contacting Roger Letterman at 800-451-6027, ext 2-8342.**

DRAFT AGENDA

Indiana's NO_x SIP Call Rulemaking

**October 13, 2000
10:00 a.m. - 1:00 p.m.**

Indiana Historical Society
Multipurpose Room
450 West Ohio Street
Indianapolis, Indiana

- 1. Introductions**
- 2. Background and Summary of NO_x SIP Call**
- 3. Update on NO_x SIP Call Litigation**
- 4. Timing of Rulemaking and Steps in Public Process**
- 5. Discussion of Upcoming Meetings and Schedule**
- 6. Open Forum**